

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of

Deployment of Wireline Services Offering
Advanced Telecommunications Capability

CC Docket No. 98-147

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

COMMENTS
of the
GENERAL SERVICES ADMINISTRATION

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Table of Contents

	<u>Page No.</u>
Summary.....	i
I. INTRODUCTION	1
II. INDUSTRY GROUPS PLAY A VITAL ROLE, BUT THE COMMISSION MUST ENSURE THAT THE INTERESTS OF END USERS ARE PROTECTED.	3
III. AS A FIRST STEP, THE COMMISSION SHOULD REQUIRE LINE SHARING IF THE INCUMBENT CARRIER PROVIDES BOTH EXCHANGE AND ADVANCED SERVICES OVER A SINGLE LINE.	5
IV. CONCLUSION	9

Summary

Spectrum compatibility standards are necessary to ensure minimum interference when different loop technologies operate in close proximity in a multi-carrier environment. The Commission offers the tentative conclusion that standards should be developed by a competitively neutral working group with widespread industry representation.

From an end user's perspective, GSA supports the Commission's conclusion. To allow as many firms as possible to compete efficiently in providing telecommunications services, all interests must be represented in formulating the standards for the services. To ensure that the needs of end users are protected, GSA urges the Commission to include representatives of competitive carriers and staff personnel of the Commission and state regulatory bodies in the standards development process. Also, regardless of which working groups participate, GSA urges the Commission to assume the role of final arbitrator by exercising the right to approve or reject standards with notice and comment by all concerned parties.

In addition, GSA addresses issues concerning line sharing which are important in helping competition to develop. As an initial step, GSA urges the Commission to adopt its tentative conclusion to require line sharing with competitors if an incumbent LEC now shares a line among its own services, or the services offered by an affiliate.

Finally, GSA explains that line sharing should not disturb the interstate access charge regime. Neither competitive LECs, nor affiliates of incumbent LECs providing advanced telecommunications services, should be subject to access charges.

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**COMMENTS
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GENERAL SERVICES ADMINISTRATION**

The General Services Administration ("GSA") submits these Comments on behalf of the customer interests of all Federal Executive Agencies ("FEAs") in response to the Commission's Notice of Proposed Rulemaking ("Notice") released on March 31, 1999. In the Notice, the Commission seeks comments and replies on spectrum compatibility and line sharing issues.

I. INTRODUCTION

Pursuant to Section 201(a)(4) of the Federal Property and Administrative Services Act of 1949, as amended, 40 U.S.C. 481(a)(4), GSA is vested with the responsibility to represent the customer interests of the FEAs before Federal and state regulatory agencies. The FEAs require a wide array of interexchange and local telecommunications services throughout the nation. From their perspective as end users, the FEAs have consistently supported the Commission's efforts to bring the benefits of competitive markets to consumers of all telecommunications services.

Nearly a year ago, the Commission requested comments on issues and proposals concerning steps to accelerate the provision of advanced

telecommunications services by wireline carriers.¹ In response to the Commission's request, GSA submitted Comments and Reply Comments to offer recommendations from its perspective as a user of voice and data transmission services.² To hasten deployment of these telecommunications services, GSA urged the Commission to strengthen collocation requirements on incumbent local exchange carriers ("LECs").³ GSA also recommended that the Commission establish unbundling requirements and standards for local loops in order to facilitate provision of all telecommunications services.⁴

In the First Report and Order released with the current Notice, the Commission has responded to the recommendations of GSA and other parties by taking pro-competitive steps to facilitate collocation of competing carriers' equipment at the facilities of incumbent LECs.⁵ The First Report and Order also addresses several issues concerning spectrum compatibility and line sharing.

With regard to spectrum compatibility, the Commission adopts rules to allow competitive providers to deploy a variety of technologies in the near future.⁶ Specifically, the Commission states that any loop technology will be presumed acceptable if (1) the technology has been successfully deployed without degrading the performance of other services, or (2) the technology has been approved by the Commission, a state regulatory body, or an recognized industry standards group.⁷ In

¹ CC Docket No. 98-147 *et al.*, Notice of Proposed Rulemaking, released August 7, 1998.

² CC Docket No. 98-147 *et al.*, Comments of GSA, September 25, 1998; and Reply Comments of GSA, October 16, 1998.

³ CC Docket No. 98-147 *et al.*, Comments of GSA, September 25, 1998, pp. 11-14.

⁴ *Id.*, pp. 14-19.

⁵ First Report and Order, paras. 19-60.

⁶ *Id.*, para. 8.

⁷ *Id.*

the accompanying Notice, the Commission seeks comments on measures to aid the development of standards for spectrum compatibility so that new loop technologies can meet one of these conditions for approval.⁸

In discussing line sharing in the First Report and Order, the Commission tentatively concludes that it is technically feasible for two different service providers to offer services over the same line, with each provider employing different frequencies to transport voice or data messages.⁹ In the accompanying Notice, the Commission seeks comments on operational, pricing and policy factors in order to determine whether to require line sharing for all LECs at the present time.¹⁰

II. INDUSTRY GROUPS PLAY A VITAL ROLE, BUT THE COMMISSION MUST ENSURE THAT THE INTERESTS OF END USERS ARE PROTECTED.

Standards groups can play an important role in hastening deployment of new technologies. However, these groups should be structured to ensure that the interests of end users are protected.

Spectrum compatibility refers to the ability of different loop technologies to operate in close proximity while not significantly degrading each other's performance.¹¹ This capability is particularly important with high-speed digital services in a multi-carrier environment. For example, if an incumbent and a competitive carrier offer digital subscriber line ("DSL") services that employ different

⁸ Notice, paras. 78-91.

⁹ First Report and Order, para. 8.

¹⁰ Notice, paras. 92-107.

¹¹ First Report and Order, para. 61.

encoding technologies, and their respective loops are near each other in the same cable, the two technologies may interfere and cut one or both transmission paths.¹²

Since competitively neutral compatibility standards will help to minimize interference, they are especially important in a multi-carrier environment. To foster a competitively neutral process, the Commission offers the tentative conclusion that standards should be set with joint participation of incumbent LECs, competitive LECs, equipment suppliers, and the Commission itself.¹³ The Commission also offers the tentative conclusion that the process should be neutral in "structure and procedure," with representation equally divided among all segments of the industry, and no party or group presumed to have disproportionate influence or "veto" power.¹⁴ The Commission seeks comments on these tentative conclusions.

From a user's perspective, GSA supports these conclusions. To allow as many firms as possible to compete efficiently in providing all telecommunications services, all interests must be fully represented in formulating the standards for these services.

In the Notice, the Commission suggests that the American National Standards Institute ("ANSI") might serve as a forum to help establish fair and open deployment practices.¹⁵ According to the home page of the T1E1.4 working group, its primary mission is "to develop standards and technical reports for systems and associated interfaces for high-speed bi-directional digital transport via metallic facilities."¹⁶ This statement demonstrates that the group's mission encompasses the required capabilities. Moreover, the group's 1999 meeting calendar, assessable through a link

¹² *Id.*

¹³ Notice, para. 79.

¹⁴ *Id.*

¹⁵ *Id.*, para. 84-85.

¹⁶ <http://www.t1.org/t1e1/_e14home.htm>

on T1E1.4 working group's home page, shows that the organization has an active schedule with sessions throughout the country devoted to many pertinent topics.

The T1E1.4 working group's website does not list its entire membership. However, the list of designated "hosts" of technical meetings shows disproportionately heavy participation by incumbent LECs and electronic equipment manufacturers. Among about 30 designated hosts to meetings in 1999, there are only two competitive LECs and one large end user of telecommunications services. Therefore, although the T1E1.4 working group appears to have ample technical capabilities, reliance on this group may not provide opportunities for many inputs by competitive carriers or regulatory bodies that could help to ensure that standards also reflect the needs of end users.

If the T1E1.4 working group is selected as the focal point for the development of standards, GSA urges the Commission to motivate the organization to enlarge its representation to include end users and technical personnel on the staff of the Commission and state regulatory bodies. Moreover, regardless of which working groups participate in the process or how they are structured, GSA urges the Commission to assume the role of final arbitrator by exercising the right to approve or reject standards with notice and comment by all concerned parties.

III. AS A FIRST STEP, THE COMMISSION SHOULD REQUIRE LINE SHARING IF THE INCUMBENT CARRIER PROVIDES BOTH EXCHANGE AND ADVANCED SERVICES OVER A SINGLE LINE.

After permitting competing carriers to share facilities within a cable, the next step is "line sharing," which refers to the ability of two different service providers to offer services over the same physical facility, with each provider employing different

frequencies to transport their messages.¹⁷ In a common line sharing technology, asynchronous digital subscriber line ("ADSL"), a high-speed data channel operates at a frequency above that used for the analog voice signal. By separating the line into two channels, it can accommodate voice and data services simultaneously. Potentially, each service could be provided by a different carrier.¹⁸

In the Notice, the Commission states that there is no persuasive evidence that line sharing among different carriers is not technically feasible.¹⁹ Moreover, there are documented cases where an incumbent LEC is sharing lines with an Internet service provider.²⁰ Unfortunately, instances of sharing between competing carriers appear to be rare, and the record indicates that some incumbent LECs have denied competitors the option of offering advanced services over the same line on which the incumbent LEC provides voice transmission.²¹

Although line sharing between carriers is feasible, the Commission notes that operational, pricing, and cost allocation issues must be resolved.²² Consequently, the Commission is stopping short of mandating line sharing throughout the nation at the present time.²³ Instead, the Commission is seeking comments on its tentative conclusion to adopt an initial line sharing proposal.²⁴

The Commission's initial line sharing proposal specifies that incumbent LECs must provide requesting carriers with access to the transmission frequencies above

¹⁷ Notice, para. 92.

¹⁸ *Id.*

¹⁹ *Id.*, para. 103.

²⁰ *Id.*

²¹ *Id.*, para. 96.

²² *Id.*, paras. 105-107.

²³ *Id.*, para. 97.

²⁴ *Id.*, para. 99.

those used for voice grade analog service on any lines that the LECs use to provide exchange service if the LEC itself provides both exchange and advanced services on a single line.²⁵ In other words, when the LEC employs “line sharing” for itself, the LEC must do so for competitive carriers as well.

GSA concurs with the Commission’s tentative conclusion to adopt this plan as an initial step in nationwide line sharing. One of the primary benefits of line sharing is that additional providers of advanced services can obtain the facilities necessary to serve their own subscribers at a cost no greater than that incurred by the incumbent LEC or its affiliate. The fact that an incumbent LEC is sharing a line for voice and data services on a route establishes the technical and economic feasibility of sharing for that route.

In many markets, stand-alone data service is uneconomic at the present time. Competition will develop far more rapidly if consumers are not required to acquire a second telephone line for access to digital services. Unless opportunities for line sharing are available to competitors in these markets, incumbent LECs will emerge as the controlling providers of advanced telecommunications services simply because they control nearly all of the local loop plant. The Commission can help to prevent this potential imbalance — which will harm all end users — by adopting its tentative conclusion that LECs must share lines with competitors if they are doing so among their own services

The Notice also seeks comments on pricing and cost allocation issues that may arise from line sharing.²⁶ Specifically, the Notice invites comments on how line sharing might affect the access charge regime.²⁷

²⁵ *Id.*, para. 99.

²⁶ Notice, para. 106.

²⁷ *Id.*

Interstate access is a service provided by incumbent LECs pursuant to approved tariffs. Access service enables interexchange carriers to originate and terminate interstate telephone traffic under a system of charges regulated by the Commission. The charges to interexchange carriers by competitive LECs are governed by interconnection agreements between these firms. The competitive LECs should not be subject to access charges by virtue of the fact that they share a line with an incumbent carrier under the access charge regime.

Moreover, as GSA explained previously in this proceeding, affiliates established by incumbent LECs to provide advanced telecommunications services should be relieved from participation in the access charge system.²⁸ As GSA stated in its Comments, application of access charges to firms providing advanced telecommunications services would unnecessarily increase the costs of the services to consumers and also reduce incentives to deploy advanced network technologies that will lead to more robust advanced services in the future.²⁹

²⁸ Comments of GSA, September 25, 1998, pp. 10-11.

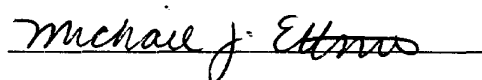
²⁹ *Id.*

IV. CONCLUSION

As a major user of telecommunications services, GSA urges the Commission to implement the recommendations set forth in these Comments.

Respectfully submitted,

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June 15, 1999

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